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NEWS

New technologies emerge for hazardous waste cleanup
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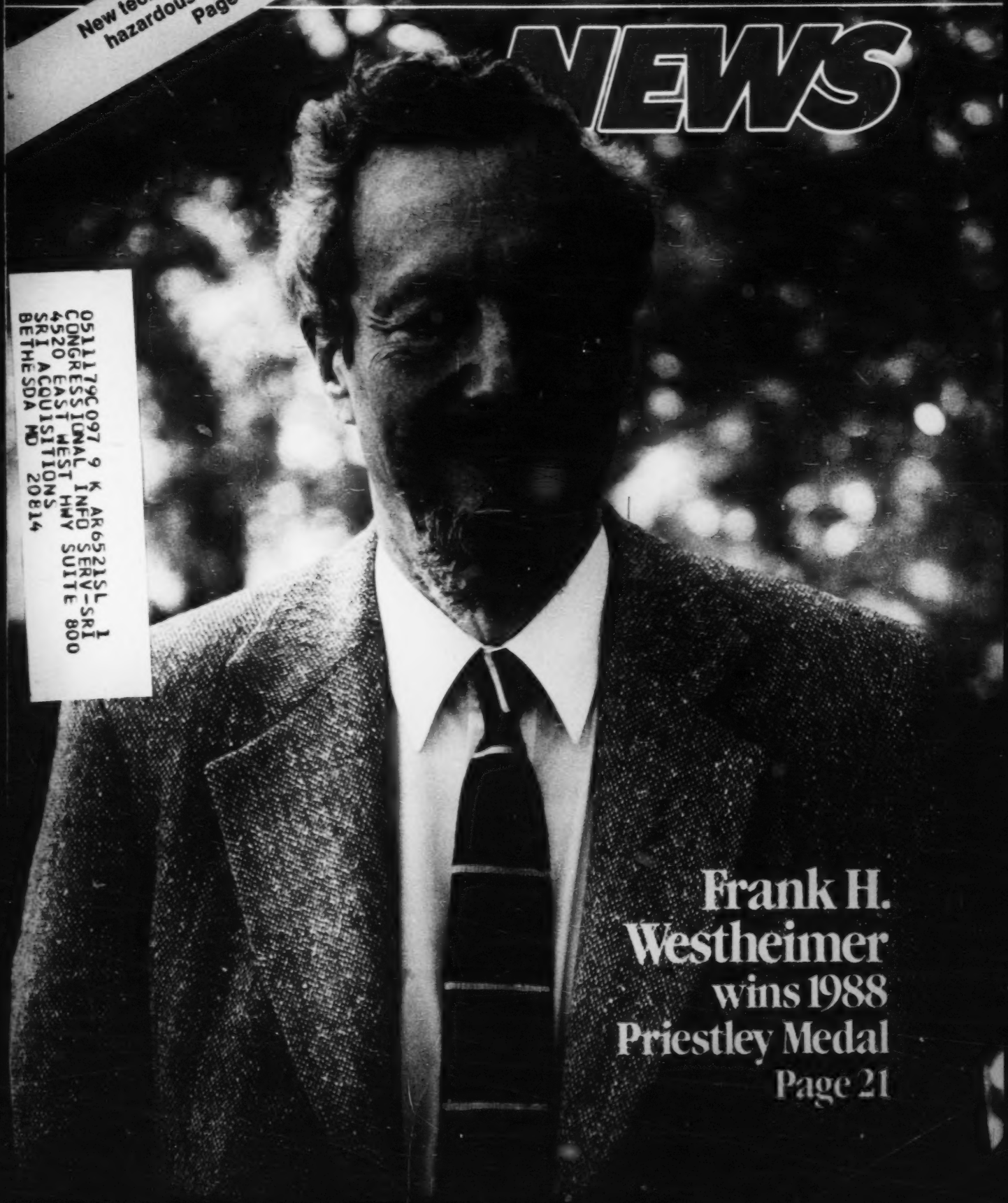

Frank H. Westheimer wins 1988 Priestley Medal

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News of the Week

■ **NRC panel urges EPA to adopt a uniform standard for setting tolerance limits for pesticide residues on food.** **Page 4**

■ **Danish scientists discover material that makes aging skin cells both appear and act like younger cells.** **Page 5**

■ **Use of proposed manned space station is the subject of a dispute between Congress and the Defense Department.** **Page 5**

■ **Frank Popoff, new president and chief operating officer of Dow Chemical, has the confidence of business analysts that he will continue the company's earnings growth.** **Page 6**

■ **MIT's hazardous substance program will attempt to integrate research at the institute, apply it to real-world problems.** **Page 6**

Business

First-quarter gains in sales, profits of major pharmaceutical firms are attributed to improved exports owing to weaker dollar. **Page 15**

Government

Study indicates that NSF's support of academic basic chemical research is lacking, making talented chemists abandon the discipline. **Page 17**

Substitutes for chlorofluorocarbons are ready to be commercialized, but their high price offsets their environmental aspects. **Page 18**

Priestley Medal

Frank H. Westheimer, professor emeritus at Harvard University, is the 1988 recipient of ACS's Priestley Medal. **Page 21**

Education

London Science Museum's Chemical Industry Gallery aims at making the public aware of the industry's evolution, using cartoon characters, exhibits of early processes, hands-on computer modeling. **Page 24**

ACS News

American Chemical Society honors 50-year members; each receives a certificate, a pin, and free registration at meetings. **Page 26**

Awards

ACS Division of Biological Chemistry will honor three awardees for their excellence in research at New Orleans national meeting. **Page 31**

Cover: Photo by C&EN's David J. Hanson

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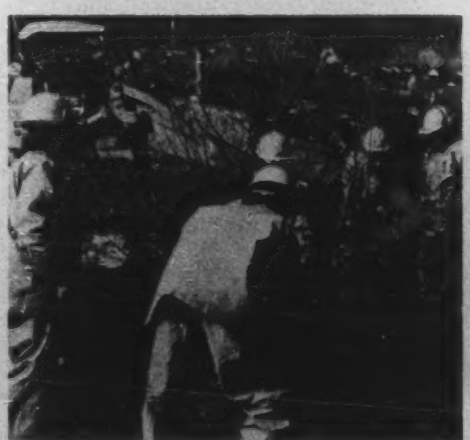

News Focus

New techniques for treating hazardous wastes will be demonstrated, mainly at Superfund sites, for cost/performance evaluation by EPA. **Page 7**

Profitability Rises at Major Drug Firms

Higher unit sales, better operating efficiencies, lower raw material costs, and much improved exports all served to raise sales, earnings, and profitability among major pharmaceutical firms in the first quarter over the same period in 1986.

A group of 15 major drug companies surveyed by C&EN had an average earnings gain of 21% and an average sales increase of 11%. Of the 15 companies, all but one had earnings increases of 10% or more. And only four of the companies had sales gains less than 10%. Profit margins (earnings from continuing operations, excluding major nonrecurring and extraordinary items, as a percentage of sales) for the group averaged 13.2% in the first quarter, compared with 12.2% in first-quarter 1986.

The foreign trade situation was important for many of the companies. Pfizer, for instance, notes that the weaker dollar had a favorable impact on reported results. The effect of currency translation improved its worldwide sales growth from 4 to 8% in the first quarter. The company also says that net income benefited significantly from currency fluctuations. Pfizer reported a 14% increase in earnings for the quarter to $192 million on an 8% sales increase to $1.12 billion.

Becton Dickinson is another company whose international sales boosted its first-quarter performance. Overall, the firm posted a 9% earnings gain to $36.5 million on a 22% sales rise to $390 million. The company says that on a geographic basis sales increased 12% in the U.S. to $255 million, but overseas sales shot up 48% to $135 million.

For Bristol-Myers, earnings increased 20% to $174 million on a 13% sales gain to $1.35 billion. According to chairman Richard L. Gelb, the sales increase for the quarter was a result of balanced growth in both domestic and international businesses. Exchange rate fluctuations did contribute about 1% to total sales growth, though, he says.

Schering-Plough, although admitting that it benefited from currency rate fluctuations, attributes its earnings growth to other reasons. Its earnings increased 18% to $84.9 million on a 12% sales gain to $686 million. Chairman and chief executive officer Robert P. Luciano says the firm's higher earnings resulted from a strong performance by the pharmaceuticals business and continued cost controls and improvements in operating and production efficiencies.

At Warner-Lambert, total sales were up 10% to $822 million, and earnings rose 13% to $73.4 million.

Warner-Lambert's chairman Joseph D. Williams attributed that firm's 13% earnings gain to several factors, including good sales performance, a lower raw materials cost, a lower effective tax rate, and reduced pension expenses resulting from adoption of new pension accounting standards.

Merck posted a 28% increase in earnings to $201 million on a 21% sales gain to $1.11 billion. Of those increases, chairman and chief executive officer P. Roy Vagelos says, "Income growth and improved earnings margins resulted from strong unit volume gains, a better product mix, the continuation of cost controls and productivity improvements, as well as the favorable rate of exchange."

If the first quarter is any indication, 1987 will turn out to be a good year for drug makers. At least company executives see it this way. For instance, Richard M. Furlaud, chairman of Squibb, says, "Results for the first quarter indicate that results for full-year 1987 probably will tend toward the upper end of the range of our previously announced expectations of 30 to 35% growth in earnings per share."

And at Warner-Lambert, chairman Williams told the company's annual meeting that the 17% earnings-per-share gain to $1.02 in the first quarter of this year helps set the tone for the company's performance for all of 1987.

William Storck, New York

Pharmaceutical first-quarter earnings increased sharply

	FIRST-QUARTER 1987					
	Sales ($ millions)	Earnings[a]	Change from 1986 Sales	Change from 1986 Earnings	Profit margin[b] 1987	Profit margin[b] 1986
American Home Products	$ 1,289.4	$ 216.5	2%	10%	16.8%	15.6%
Baxter Travenol	1,407.0	84.0	5	83	4.5	2.6
Becton Dickinson	390.0	36.5	22	9	9.4	10.5
Bristol-Myers	1,347.9	173.9	13	20	12.9	12.1
Eli Lilly	1,059.0	205.2	7	19	19.4	17.5
Johnson & Johnson	1,980.5	235.5	14	19	11.9	11.4
Merck	1,111.1	201.3	21	28	18.1	17.1
Pfizer	1,119.6	192.0	8	14	17.1	16.4
A. H. Robins	209.8	26.0	10	16	12.4	11.7
Schering-Plough	686.3	84.9	12	18	12.4	11.7
SmithKline Beckman	1,003.4	146.5	18	26	14.6	13.5
Squibb	470.4	69.4	22	51	14.8	11.9
Sterling Drug	492.1	41.6	17	14	8.5	8.7
Upjohn	597.4	80.9	11	28	13.5	11.7
Warner-Lambert	822.2	73.4	10	13	8.9	8.7
TOTAL	$13,986.3	$1847.8	11%	21%	13.2%	12.2%

a After tax, excluding major nonrecurring and extraordinary items. b Earnings as a percentage of sales.